

## Fund 090

### Public School Operating

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#### **Focus**

Expenditures required for operating, maintaining and supporting the instructional program of Fairfax County Public School (FCPS) are recorded in Fund 090, Public School Operating. These expenditures include the costs for salaries and related employee benefits, materials, equipment and services to continue current programs, as well as costs for projected changes in membership and inflation. Revenue to support these expenditures is provided by a transfer from the County General Fund, state and federal aid, tuition payments from the City of Fairfax, as well as other fees and transfers.

It should be noted that the following fund statement reflects the FY 2006 Fairfax County Public School Superintendent's Proposed Budget, which was released on January 13, 2005. Adjustments to this Fund, adopted by the Fairfax County School Board on February 10, 2005, will be discussed in the Overview Volume of the County's FY 2006 Advertised Budget Plan. However, all financial schedules included in the FY 2006 Advertised Budget Plan reflect the funding level commensurate to a 8.24 percent increase in the General Fund transfer to the Fairfax County Public School. The proposed County General Fund transfer for school operations in FY 2006 totals \$1,431,337,820, an increase of \$108,963,633 or 8.24 percent, over the *FY 2005 Revised Budget Plan* transfer of \$1,322,374,187. Of this amount, \$1,621,364 represents the last year of a ten-year program to eliminate the County's outstanding unfunded teachers' liability.

Teachers' salaries are paid by contract over a twelve-month period ending in August. Consequently, in order to reflect the total teachers' salaries in the year that services are rendered, an accrual is made at the end of the fiscal year for the payroll liability arising from those teachers' salaries to be paid in the first two months of the succeeding year. Therefore, expenditures for July and August are recorded in the fiscal year in which they are earned and budgeted. However, prior to FY 1984, salaries for the month of July and August were paid and recorded in the next fiscal year. The result was an unfunded liability.

In FY 1984, the County began a program to eliminate the unpaid liability for educational employees' salaries and benefits over a ten-year period, which was to begin in FY 1984 and to continue through FY 1994. However, due to the 1990 recession, FY 1990 was the seventh and last year that the teachers' unfunded liability payment was funded. At that time the County's remaining outstanding liability was \$16,213,640. In FY 1997, the County resumed funding the teachers' liability payment with a new ten-year plan with scheduled payments of \$1,621,364 per year. The scheduled FY 2006 payment will be the last year of the School Board's ten-year plan, and will eliminate the outstanding liability balance.

# Fund 090

## Public School Operating

### FUND STATEMENT

#### Fund Type G10, Special Revenue Funds

#### Fund 090, Public School Operating Fund

	FY 2004 Actual <sup>1</sup>	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan <sup>2</sup>	FY 2006 Superintendent's Proposed <sup>3</sup>
<b>Beginning Balance</b>	<b>\$110,747,182</b>	<b>\$34,804,721</b>	<b>\$113,382,753</b>	<b>\$20,000,000</b>
Revenue:				
Sales Tax	\$120,800,001	\$121,824,557	\$140,671,621	\$150,487,943
State Aid	194,278,028	210,813,700	223,563,907	228,779,051
Federal Aid	36,872,769	37,475,166	45,372,707	42,840,662
City of Fairfax Tuition	27,069,379	29,138,289	28,544,499	30,688,274
Tuition, Fees, and Other	12,849,520	9,459,801	9,065,876	10,359,974
<b>Total Revenue</b>	<b>\$391,869,697</b>	<b>\$408,711,513</b>	<b>\$447,218,610</b>	<b>\$463,155,904</b>
Transfers In:				
County General Fund (001)	\$1,240,850,321	\$1,322,374,187	\$1,322,374,187	\$1,450,644,483
<b>Total Transfers In</b>	<b>\$1,240,850,321</b>	<b>\$1,322,374,187</b>	<b>\$1,322,374,187</b>	<b>\$1,450,644,483</b>
<b>Total Available</b>	<b>\$1,743,467,200</b>	<b>\$1,765,890,421</b>	<b>\$1,882,975,550</b>	<b>\$1,933,800,387</b>
<b>Total Expenditures</b>	<b>\$1,598,320,237</b>	<b>\$1,736,252,502</b>	<b>\$1,852,219,575</b>	<b>\$1,898,444,075</b>
Transfers Out:				
School Construction Fund (390)	\$11,152,388	\$12,858,000	\$13,393,728	\$13,391,022
School Grants & Self-Supporting Fund (192)	19,071,530	15,313,543	15,795,871	20,359,490
School Adult & Community Education Fund (193)	1,200,131	1,100,131	1,200,131	1,200,131
School Health & Flexible Benefits Fund (591)	340,161	366,245	366,245	405,669
<b>Total Transfers Out</b>	<b>\$31,764,210</b>	<b>\$29,637,919</b>	<b>\$30,755,975</b>	<b>\$35,356,312</b>
<b>Total Disbursements</b>	<b>\$1,630,084,447</b>	<b>\$1,765,890,421</b>	<b>\$1,882,975,550</b>	<b>\$1,933,800,387</b>
<b>Ending Balance</b>	<b>\$113,382,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of \$181,940 have been reflected as increases to FY 2004 revenues and audit adjustments of \$773,586 have been reflected as increases to FY 2004 expenditures to properly record revenue and payroll accruals. The audit adjustments have been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Final details of the FY 2004 audit adjustments will be included in the FY 2005 Third Quarter Review.

<sup>2</sup> The FY 2005 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on December 2, 2004, during their FY 2005 Midyear Review. The Fairfax County School Board adjustments will be officially reflected in the County's FY 2005 Third Quarter Review, which will be acted upon by the Board of Supervisors on April 18, 2005.

<sup>3</sup> Reflects \$20.0 million in projected FY 2005 ending balance to be carried over to fund the FY 2006 budget.